



“With 70 percent of Boeing’s airplane sales going overseas, Ex-Im Bank plays a critical role by providing loan guarantees for our international customers that help us support Boeing and U.S. supplier jobs.”

Alan Mulally
President and CEO
Boeing Commercial Airplanes

The Boeing Company is one of the leading exporters in the United States – with customers in 145 countries – but even Boeing faces significant export challenges. As one of only two manufacturers of large commercial aircraft in the world, Boeing’s commercial aircraft division, Boeing Commercial Airplanes, faces strong competition in almost every sales campaign from Airbus, which is supported by the export credit agencies of France, Germany and the United Kingdom. By guaranteeing the loans of commercial banks to foreign-based airlines that purchase or lease Boeing aircraft, Ex-Im Bank “levels the playing field” and helps Boeing export its commercial aircraft into some of the world’s most challenging markets. These sales sustain jobs at Boeing and its many suppliers throughout the United States.

In fiscal year 2005, Ex-Im Bank helped to finance the export of 78 Boeing aircraft to 19 airlines located in 18 different countries. Ex-Im Bank supported sales or leases of Boeing aircraft to many foreign airlines, including Emirates and Oman Air in the Middle East; Aerovías de México and Lan Airlines (Chile) in Latin America; and Ethiopian Airlines, Kenya Airways and Air Senegal International in Africa.

Ex-Im Bank’s support for Boeing’s aircraft exports is usually structured as an asset-backed financing secured by a

mortgage on the aircraft. Historically, Ex-Im Bank’s portfolio of aircraft financings has performed very well. However, Ex-Im Bank is working to reduce further the risks associated with this financing by promoting the Cape Town Treaty, an international treaty intended to facilitate the asset-backed, cross-border financing and leasing of high-value mobile equipment, including aircraft and aircraft engines. The Cape Town Treaty and the accompanying aircraft equipment protocol enter into force on March 1, 2006, in those countries that have ratified the treaty.

Since 2003, Ex-Im Bank has offered up to a one-third reduction of its exposure fee on its financings of new large commercial aircraft to airlines based in countries that sign, ratify and implement the Cape Town Treaty and the aircraft equipment protocol. Airlines located in Panama, Ethiopia, Pakistan and Oman already have benefited from the Bank’s offer following their countries’ ratification of or accession to the treaty.

Boeing Commercial Airplanes is headquartered in Seattle, Wash., and has U.S. manufacturing facilities in Renton, Everett, Auburn and Frederickson, Wash., Long Beach, Calif.; and Portland, Ore. Boeing employs more than 50,300 U.S. workers in commercial aircraft manufacture and related operations.

Photos courtesy of The Boeing Company



Helping U.S. Small Businesses Benefit from Large Export Contracts

U.S. small business manufacturers and suppliers benefit indirectly from the large export contracts that Ex-Im Bank supports. Larger manufacturers, such as Boeing, often contract with many small businesses to provide raw materials, equipment, components or services for the large export transactions that are supported by Ex-Im Bank’s long-term financing. These small businesses often depend upon contracts with larger manufacturers and are able to sustain U.S. jobs, due, in part, to this indirect support from Ex-Im Bank.

For example, Boeing Commercial Airplanes contracts with approximately 6,600 U.S. suppliers and vendors in every state in the United States to provide raw materials, parts and components in the manufacture of its large commercial aircraft. Of these suppliers, approximately 2,900 are U.S. small businesses of 500 employees or less. Boeing estimates that it paid approximately \$10.7 billion to its commercial-aircraft-related U.S. suppliers in 2005.

For example, Tri Models Inc., a small business of 96 employees headquartered in Huntington Beach, Calif., supports wind-tunnel testing for Boeing, which has several million dollars in yearly contracts with Tri Models.

Left: Terry Llong-Raymond (left) and Kelly Sam work on an electrical connection on a Boeing 737 at the company’s manufacturing facility in Renton, Wash.

Above: Dwayne White (left) and Russ Schmus prepare a Boeing 737 rear spar for the wing-to-body join process at the company’s Renton manufacturing facility.